

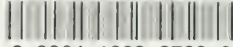
**GUIDE TO ECONOMIC DEVELOPMENT PROGRAMS
OCTOBER 1988
MONTANA DEPARTMENT OF COMMERCE**

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A GUIDE TO MONTANA'S ECONOMIC DEVELOPMENT & BUSINESS ASSISTANCE PROGRAM

Reprinted October 1988

MONTANA DEPARTMENT OF COMMERCE
Business Assistance Division
1424 Ninth Avenue
Helena, MT 59620

The following is a compendium of economic development programs provided by the State of Montana and other agencies in Montana. General information about these programs may be obtained by contacting:

Business Assistance Division
Department of Commerce
1424 Ninth Avenue
Helena, Montana 59620
(406) 444-3923

More specific information is available from the contact person identified with each program.

TABLE OF CONTENTS

Department of Commerce.....	1
Director's Office.....	1
Business Assistance Division.....	2
Development Finance Technical Assistance.....	2
Marketing Assistance and Montana Product Promotion.....	2
Small Business Advocacy and Business Licensing.....	2
International Trade.....	2
Manufacturing and U.S. Government Procurement Assistance.....	3
Assistance to Businesses in the Tourism Industry.....	3
Montana Growth Through Agriculture.....	3
Montana Ambassadors.....	3
Business Location.....	3
Assistance to Local Development Organizations.....	3
Small Business Development Center (SBDC).....	4
Investment Division.....	4
Development Finance Programs.....	4
Coal Tax Loan Programs.....	5
Eligibility Requirements.....	5
Federally Guaranteed Loan Program.....	6
Economic Development Linked Deposit Program.....	6
Business Loan Participation Program.....	6
SBA 504 Loan Participation Program.....	7
Industrial Development Bond Programs.....	7
Stand Alone Industrial Development Bond Program.....	7
Montana Capital Companies.....	8
Montana Health Facility Authority.....	8
Montana Promotion Division.....	8
Consumer Travel Promotion.....	9
Group Travel Promotion.....	9
Motion Picture and Television Promotion.....	9
Regional Marketing Program.....	9
Office of Research and Information Services.....	9
Governor's Council on Economic Development.....	10
Census and Economic Information Center.....	10
Transportation Division.....	11
Litigation and Analysis Bureau.....	11
Local Rail Service Assistance.....	11
Passenger Transportation Bureau.....	11
Short-Line Assistance Program.....	11
Southern Mainline Study.....	11
Special Projects Section.....	11
Subterminal Development Monitoring.....	12
Aeronautics Division.....	12
Local Government Assistance Division.....	12
Community Technical Assistance Program.....	12
Hard-Rock Mining Impact Board.....	13
Community Development Block Grant (CDBG) Program.....	13
County Land Planning Grant Program.....	13
Local Impact Assistance Program.....	14
Section 8 Housing Assistance.....	14
A) Section 8 Existing Housing.....	14
B) Section 8 Moderate Rehabilitation.....	15
District Court Reimbursement Program.....	15

Montana Science & Technology Alliance	15
Introduction.....	15
Montana Supreme Court Test Case.....	16
Other State Agencies	17
Agricultural Development	17
Agricultural Assistance Program.....	17
Rural Development.....	17
Marketing Assistance.....	18
Montana Cooperative Extension Service	18
Water Development Loan and Grant Programs	18
Reclamation and Development Grant Program	19
Renewable Energy and Conservation Program	19
Vocational Technical Education	19
Labor Training Programs	20
Job Training Partnership Act.....	20
Industrial Start-up Training Program.....	20
Disadvantaged Business Enterprise and Women Business Enterprise	20
State Purchasing Policies	21
Small Business Procurement Set Asides.....	21
Bidding Preferences.....	21
Tax Incentives	21
Other Services	23
The 49th Parallel Institute	23
Flathead Valley Community College	23
Small Business Center.....	23
University Technical Assistance Program	23
Short-Term Technical Assistance.....	24
SBIR Funding.....	24
Computerized Data Search.....	24
Advanced Technology, Inc	25
Montana Rural Technical Assistance Program	25
National Center for Appropriate Technology	26
Research Centers	26
Montana Bureau of Mines & Geology.....	26
Research Center for Materials Processing.....	26
Institute for Biological & Chemical Process Analysis.....	27
Research and Development Institute, Inc.....	27
Bureau of Business and Economic Research.....	27
Montana Forest and Conservation Experiment Station.....	28
Tourism and Recreation Research Institute (TTRI).....	28
Western Montana College Tourism and Recreation Program.....	28
The Wilderness Institute.....	29
Storage Facilities	29
Port of Montana.....	29
Great Falls Foreign Trade Zone.....	29
U.S. Small Business Administration	29
Financial Assistance.....	29
Regular Loans.....	29
Special Loan Programs.....	30
Business Development.....	30
Small Business Institutes (SBIs).....	30
Small Business Development Centers (SBDCs).....	30
International Trade Counseling and Training.....	31
Procurement Assistance.....	31

Small Business Investment Companies (SBICs).....	31
Development Finance Organizations.....	32
Montana Capital Companies.....	32
Local Development Companies.....	32
Local Economic Development Organizations.....	33

DEPARTMENT OF COMMERCE

DIRECTOR'S OFFICE

The Director of the Department of Commerce is responsible for the overall management of the department, which includes:

- ° Aeronautics Division
 - Airport/Airways
 - Safety & Education
- ° Business Assistance Division
- ° Business Regulation Division
 - Building Codes
 - Horse Racing
 - Milk Control
 - Professional and Occupational Licensing
 - Weights and Measures
- ° Financial Institutions Division
- ° Housing Division
- ° Investment Division
- ° Local Government Assistance Division
 - Community Development
 - Local Government Services
 - Section 8 Housing
- ° Montana Health Facilities Authority
- ° Montana Promotion Division
- ° Montana Science and Technology Alliance
- ° Montana State Lottery
- ° Transportation Division
 - Intermodal Commodities
 - Litigation and Analysis
 - Passenger

The Management Services Division, Office of Research and Information Services, Video Gaming Control Bureau, Coordinator of Indian Affairs, and the Legal and Consumer Affairs Unit are also attached to the Director's Office. In addition, the Director chairs the State Banking Board in accordance with the statutory requirements, and serves as Secretary of the Montana Ambassadors. The Director is also responsible for staffing the Governor's Council on Economic Development.

Contact: Keith L. Colbo, Director
Department of Commerce
1424 Ninth Avenue
Helena, MT 59620
(406) 444-3494

BUSINESS ASSISTANCE DIVISION

The Business Assistance Division of the Department of Commerce provides comprehensive services that constitute the direct technical assistance component of the "Build Montana" economic development effort, including:

Development Finance Technical Assistance

Technical assistance is available to businesses in the areas of financial analysis, financial planning, loan packaging, industrial revenue bonding, state and private capital sources, and business tax incentives. The program also is designed to work with businesses and financial institutions to encourage the use of various public sector programs, including Urban Development Action Grants (UDAGs), Community Development Block Grants, Economic Development Administration grants, Small Business Administration loan guarantees, and the Montana Board of Investments' in-state investment funds.

Marketing Assistance and Montana Product Promotion

Program staff members work with individual small business and trade associations to develop and expand outlets for products manufactured or processed in Montana. Products of Montana manufacturers are represented at selected trade shows both in the United States and foreign countries.

The Montana Product Promotion program is designed to elevate the status of Montana-made products in the marketplace. The program also serves to educate Montanans about the diversity of products manufactured in their state. As part of this program, a full-color "Made in Montana" logo is available to manufacturers of products that have a minimum of 50% of their value added in Montana. The department has implemented an extensive public awareness campaign utilizing television, newspaper, outdoor, and radio advertising to encourage Montanans to "Look for the Label."

The division publishes the Montana Consumer Products Buyers Directory and the Montana Manufacturers and Products Directory.

Small Business Advocacy and Business Licensing

The division distributes information concerning the state licensing requirements for starting and operating a business and provides assistance to businesses in applying for licenses and permits. The division also serves as an advocate for small businesses. An in-state toll-free telephone number is available for their use. It is: 1-800-221-8015.

International Trade

This program is designed to enhance the sales in international markets of Montana manufacturers and service providers. In addition, tourism promotion and reverse investment opportunities are pursued by the international trade staff. One-stop technical assistance to businesses wishing to enter foreign markets is available. Trade opportunities are identified for exporters, and special training programs are conducted throughout the year to prepare more firms for export activity. The division maintains a products showroom in the Taipei World Trade Center in Taiwan and a Pacific Rim Trade Office in Tokyo, Japan.

Manufacturing and U.S. Government Procurement Assistance

The division disseminates current government procurement information to interested small business bidders. It also provides technical assistance, either directly or through cooperating university system units, to those small businesses having problems in production management, quality control, cost accounting, or related manufacturing areas.

Assistance to Businesses in the Tourism Industry

Training and technical assistance programs designed to meet the unique needs of firms in the state's rapidly growing visitor industry have been developed under the SUPERHOST program. Communities successfully completing SUPERHOST activities receive road signs, employee badges, store window decals, table and room displays, and other promotional materials.

Montana Growth Through Agriculture

In order to help Montana keep pace with a transforming agriculture industry, create new jobs, and expand small business opportunities, a public/private partnership has been created to strengthen and diversify the state's agriculture industry. The Montana Agriculture Development Council, which oversees this program, establishes policies and priorities to enhance the future development of agriculture in Montana. Some of the Council's activities include the creation of agricultural business incubators and expanded domestic and international agricultural marketing.

Montana Ambassadors

In response to a private sector recommendation, the state has implemented an "Ambassador" program to complement the department's business location, retention, marketing, and Montana promotion efforts. The program is made up of approximately 200 business and university leaders from throughout the state. Members make calls on out-of-state business executives and tour operators to familiarize them with Montana as a place to do business and as a travel destination. Additionally, Ambassadors work with Montana manufacturers to help them market their products outside the state, and they assist the state in hosting foreign visitors and trade delegations. The program is funded by its members and staffed by the Department of Commerce.

Business Location

The Business Location program publicizes and advertises Montana to firms planning relocations or expansions. The program initiates and develops relations with business interests and individual firms, and prepares and presents location data in response to inquiries received by the department. The program also works closely with local development organizations in their efforts to locate new firms to their communities.

Assistance to Local Development Organizations

Assistance is provided to local leaders responsible for organizing and maintaining community economic development efforts and to the professional staff of such local organizations. In cooperation with the Montana Ambassadors and the Montana Chamber of Commerce, the division conducts the Certified

Communities Program, through which cities, towns, counties, and tribal governments are helped to plan and carry out effective economic development programs specifically designed to meet local needs.

Contact: Business Assistance Division
Department of Commerce
1424 Ninth Avenue
Helena, MT 59620
(406) 444-3923

Small Business Development Center (SBDC)

Located in the Business Assistance Division of the Department of Commerce, and with a sub-center at Dawson Community College in Eastern Montana, the SBDC provides assistance to new and existing businesses, primarily through one-on-one consulting and specific training programs and seminars. The SBDC uses a circuit-rider approach to provide maximum accessibility to its programs.

Contacts: Robert A. Heffner, Director
Small Business Development Center
Business Assistance Division
Department of Commerce
1424 Ninth Avenue
Helena, MT 59620
(406) 444-4780

Rod Jorgensen, Finance Officer
Gary Mariegard, Marketing Officer
Small Business Development Sub-center
c/o Dawson Community College
P.O. Box 421
Glendive, MT 59330
(406) 365-2377

INVESTMENT DIVISION (BOI)

The Montana Board of Investments may purchase debt or equity investments at market rates as permitted by the Prudent Expert Principle. The board actively purchases qualified Montana Mortgages (both residential and commercial) from approved seller/servicers, buys the guaranteed portion of SBA loans and FmHA loans from Montana financial institutions, and purchases certificates of deposit from qualified Montana financial institutions.

Contact: James R. Howeth, Investment Officer
Board of Investments
Capitol Station
Helena, MT 59620-0125
(406) 442-1970

Development Finance Programs

The 1982 Legislature, as a result of Initiative 95, authorized a series of programs designed to help small businesses obtain attractive capital financing. These programs are administered by the Board of Investments, Office of Development Finance (the Board). Each program operates with different

eligibility criteria under state or federal law, but the primary focus of all programs is to increase availability of long-term, fixed rate financing to small Montana businesses.

Coal Tax Loan Programs

The Board is a development agency, not a bank or venture capital company. Its responsibility is to strengthen and diversify the state's economy through prudent investments in qualifying Montana businesses. The Board has limited financial resources and looks for those loan projects which have the greatest potential for creating employment opportunities for Montanans and for providing other long-term benefits to the state's economy. The Board's programs are designed to assist businesses by making available to them long-term, fixed rate financing at competitive interest rates for a variety of needs.

During each calendar year, the Board receives approximately \$10 million in coal tax trust funds for investing in loans to small Montana businesses. No one loan can exceed 10% of the prior year's deposits into the In-State Investment fund. As of July 1, 1987, the maximum loan was \$950,000. Loans are made only through approved Montana financial institutions, which include state or federally-chartered banks, savings and loan associations, credit unions, development credit corporations, investment companies, trust companies, savings institutions, and qualified Montana capital companies. A complete list of approved financial institutions is available from the Board's office.

The Board is authorized by law to establish the types of loans that it will administer. The rules adopted by the Board provide several methods for making loans to Montana businesses, which are briefly summarized below. Detailed descriptions of each loan program, rules, application forms, and information on fees and the application process are available from approved financial institutions or from the Board's office in Helena.

Eligibility Requirements

Coal tax loans are limited by state statute and by the rules adopted by the Board of Investments in businesses that will have a "long-term benefit to the Montana economy." The Board has determined that:

- ° Investment in loans to businesses that will strengthen the Montana economy, that have the potential to maintain and create jobs, or that increase per capita income or future tax revenues to the people of Montana, either directly or indirectly, will meet the objectives of 17-6-304, MCA.
- ° In considering whether an applicant will maintain and create jobs, the Board will consider whether the applicant's proposed endeavor will displace existing jobs of competing Montana businesses.
- ° Loans to any governmental entity or non-profit corporation will not be funded under this program.
- ° At the time an application for financing is submitted the financial institution submitting the application shall certify that the loan for which financing is sought has not been classified in the most recent examination report of the financial institution.

While a minimum or maximum loan limit has not been established, loans of \$500,000 to \$3 million will be targeted.

Businesses submitting applications for coal tax loans involving the SBA 504 Loan Participation Program are not necessarily limited to the above three types of business activities.

Federally Guaranteed Loan Program

Through the BOI Federally Guaranteed Loan Program, financial institutions that have secured a federal guarantee on a fixed-rate loan to a business that is eligible for Board investment may sell the federally guaranteed portion of the loan to the BOI at a pre-established rate. The most common use of this program will be for loans guaranteed by the SBA. The purpose of this program is to establish an active secondary market for fixed-rate federally guaranteed loans in Montana; to allow approved financial institutions the opportunity to provide their commercial customers fixed-rate financing at a lower rate than was previously possible; and to increase local lending capacities when loan demand is high. Generally, the Board will only consider purchasing the guaranteed portion of loans originated for the purpose of using this program.

Businesses must meet the eligibility requirements for BOI financing, and most types of business loans that are eligible for a federal agency's guarantee may be funded indirectly through this program. This generally includes the purchase of land, buildings, equipment, machinery, building expansion or repair, inventory, or funds for working capital.

Economic Development Linked Deposit Program

Through this program, the BOI will place a long-term deposit with an approved financial institution on the condition that the financial institution use the proceeds of the deposit to finance a corresponding fixed-rate loan to a specific borrower that is eligible for BOI investments. The deposit must be secured by state collateral and pledging requirements. The rate to the borrower on the supported loan will be "linked" to the return to the Board on its deposit; and although the BOI assumes no risk on the underlying business project, the financial institution is assured of a specific "spread" on its funds for the duration of the loan. In other words, this program removes the market risk to the financial institution in making a fixed-rate loan.

Funds from Economic Development Linked Deposits may be used by financial institutions to make loans for working capital, interim construction, inventory, site development, acquisition of machinery, equipment and buildings, or other types of loans.

Business Loan Participation Program

The BOI Business Loan Participation Program, which may be used to finance commercial, multi-family, or SBA 504 loans, is designed to allow approved Montana financial institutions the opportunity to "sell" up to 80 percent of an eligible business loan to the Board of Investments. The Board, in essence, then owns a participation interest in both the financing and the security for an approved commercial loan that is serviced by the originating financial institution. Funds will be targeted to long-term fixed-rate loans

that have the potential to positively benefit economic development within our state. Through this program originating financial institutions will benefit by "leveraging" available funds beyond imposed lending limits, by receiving a relatively high yield on the financial institution's share of the loan, and by affording their commercial customers access to financing at terms that were previously unavailable. Borrowers that utilize this program will also benefit by receiving long-term funds at an attractive rate of interest.

In general, this program may be used to fund the purchase of land, building, equipment, machinery, building expansion or repair, or working capital, subject to certain conditions.

SBA 504 Loan Participation Program

The Board may fund a portion of a project financed under the SBA 504 Program by purchasing from an originating lender up to 80% of the lender's first mortgage loan amount. All terms and rates are the same as under the Business Loan Participation Program. For this program only, it is not necessary that the business meet the eligibility requirements for other Coal Tax Loan Programs described under the Eligibility Requirement Section.

As of June 30, 1988, the BOI had funded 118 Coal Tax Loans, totalling nearly \$34 million. Loans have been used by trucking firms, lumber companies, tourism attraction and facilities operators, cherry growers, food processors, plastics manufacturers, dairies, furniture manufacturers, specialized tool manufacturers, and others. Of the total loan portfolio, 53% was in manufacturing, 14% in services, 7% in transportation, 28% in agriculture/forestry/fisheries, and the remainder scattered among other industry classifications.

In addition to its loan programs, the BOI offers a "stand-alone" industrial revenue bond program.

Industrial Development Bond Programs

The Board of Investments also issues tax-exempt industrial development bonds (IDBs) to fund loans to Montana businesses for the acquisition of land, buildings or equipment. All loans must meet federal eligibility requirements and primarily provide long-term, fixed-rate financing. After December 31, 1986, only manufacturing projects are eligible through December 31, 1989.

Stand Alone Industrial Development Bond Program

A borrower who can assume responsibility for funding its projects can have the Board issue industrial development bonds (IDBs) under the "Stand-Alone" program. A borrower typically has three alternative ways to accomplish funding through IDBs: direct access to the bond market through the market's recognition of financial strength of the borrower, a bank letter of credit which the bond market recognizes and accepts, or a tax-exempt loan through a bank (no public bond offering necessary). The Board serves only as the legal issuer of the bonds and assumes no responsibility for funding the loan.

Project costs to be funded with IDB proceeds can be incurred only after the Board holds a public hearing and finds the project to be in the public interest. Current sunset provisions also apply.

Montana Capital Companies

The Board also administers the Montana Capital Company Act, which is designed to make private venture or equity capital available within the state. Through the program, the state offers a 50% tax credit incentive (up to \$150,000) to investors in qualified Montana Capital Companies, which in turn must invest these funds in small, basic Montana firms. The capital companies must be certified and qualified by the Board. Available tax credits are limited to \$5 million through 1989, and are allocated to capital companies in order that they become "qualified" and have actual investors. As of July 1, 1987, three firms had been designated as "certified and qualified" Montana Capital Companies while four firms had completed the "certification" stage and were in the process of raising at least \$200,000 in equity capital to become "qualified" for tax credits.

For further information about any of the Board's programs, please contact:

Robert M. Pancich, Administrative Officer
Board of Investments
Office of Development Finance
Capitol Station
Helena, MT 59620-0125
(406) 442-1970

MONTANA HEALTH FACILITY AUTHORITY

The Montana Health Facility Authority (MHFA), created by the 1982 Legislature, is a bonding authority whose sole purpose is health care cost containment. To accomplish its mission, through the issuance of revenue bonds or notes, it provides financing or refinancing for projects consisting of construction, renovation, or equipment purchases, for public or private non-profit health care programs. The MHFA loans its bond proceeds to participating health care facilities at interest rates below those of taxable commercial lending institutions, substantially containing the costs expended by the participants. In many instances, however, the commercial lending institutions are included in the financings to provide credit enhancement. The MHFA notes and bonds, which are neither general nor moral obligations of the state, may be issued to a single entity, or to several participating health care facilities. The MHFA offers its tax-exempt status to assist eligible facilities to issue tax-exempt bonds or notes, although taxable obligations can also be structured through the MHFA, with the MHFA as issuer.

Contact: Jerry R. Hoover, Administrator
Montana Health Facility Authority
1520 East Sixth Avenue - Room 50
Helena, MT 59620
(406) 444-5435

MONTANA PROMOTION DIVISION

The Promotion Division is responsible for promoting the State of Montana as a travel destination for both summer and winter vacationers. Utilizing the State's "Master Marketing Plan," the division strives to increase the frequency of visitations by nonresident tourists and travelers. The division works closely with the private sector (airlines, ski areas, innkeepers,

outfitters, etc.) to increase the dimensions of its tourism-related efforts. In addition, the division promotes group travel and markets Montana as a location for the film and television industries.

Consumer Travel Promotion

This section of the Montana Promotion Division is responsible for the promotion of the state to individual consumers. Consumer Travel Promotion includes four different but related functions: publications, advertising, exhibiting, and publicity. Each year, up to 12 full-color publications explaining and illustrating the Montana vacation product are published by division personnel. In addition, the staff creates, designs and oversees the production for all paid advertising and advertising campaigns. Consumer travel personnel also are responsible for generating publicity about Montana and for exhibiting at consumer trade shows.

Group Travel Promotion

Group Travel is responsible for initiating and maintaining productive contact with meeting planners and the travel trade. Personnel advertise in specific and various ways to attract national and international tour groups and conventions to Montana. A "Group Tour Planning Guide" is published regularly and sent to group tour operators. Staff members attend travel trade shows, make sales calls and conduct familiarization tours for tour operators and travel agents. Group Travel targets its markets to include Canada and western and mid-western states for winter and summer group tours.

Motion Picture and Television Promotion

Staff involved in film and TV promotion act as a liaison for studios and production companies interested in filming motion pictures and commercials in Montana. In addition to scouting locations and negotiating permits, personnel go on location with film crews to serve as consultants and to provide technical expertise and other location-related assistance. Staff also publish a "Motion Picture and Television Location Manual," which is sent to interested parties, including location scouts, producers and directors.

Regional Marketing Program

This program oversees the distribution of 25% of the accommodations tax and provides assistance with marketing to tourism regions and eligible cities within the state as mandated by the 1987 Legislature in HB 84.

Contact: John Wilson, Administrator
Montana Promotion Division
Department of Commerce
1424 Ninth Avenue
Helena, MT 59620
(406) 444-2654

OFFICE OF RESEARCH AND INFORMATION SERVICES

The Office of Research and Information Services (ORIS) provides services for the Department of Commerce director (including speech writing, publication management and production, special projects staffing, media liaison and legislative monitoring), analyzes the Montana economy, researches and prepares

briefing papers, staffs the Governor's Council on Economic Development and conducts economic development and general departmental policy analysis as requested. It also provides data and information storage and distribution, maintains a specialized library for the department, other state agencies and the public and is the state coordinating office for federal census activities.

Contact: Sandy Courtnage, Administrator
Office of Research and Information Services
Montana Department of Commerce
1424 Ninth Avenue
Helena, MT 59620
(406) 444-3814

Governor's Council on Economic Development

The Governor's Council on Economic Development provides the governor, the legislature and the Department of Commerce with economic policy recommendations developed by a broad cross section of Montana interests. The council represents the interests of 10 separate economic sectors in the state. The 20-member panel is comprised of 10 members from each of Montana's two congressional districts.

Staff support for the council is provided by the ORIS. Responsibilities include meeting organization, research of selected issues, preparing all written materials including final reports, minutes and correspondence, and appearing before legislative committees in support of council recommendations.

Contact: Jan Clack, Administrative Officer
Office of Research and Information Services
Montana Department of Commerce
1424 Ninth Avenue
Helena, MT 59620
(406) 444-3814

Census and Economic Information Center

The Census and Economic Information Center (CEIC) is the central storehouse for demographic and economic information available for local, state and federal government, the business community, educational institutions and the public. The center is Montana's primary contact with the U.S. Census Bureau. The CEIC prepares County Profiles, which include data on health, education, housing and other economic statistics on Montana's counties. The center also compiles the Montana Statistical Abstract, which contains detailed economic data on the entire Montana economy.

Contact: Patricia Roberts, Program Manager
Census and Economic Information Center
Montana Department of Commerce
1424 Ninth Avenue
Helena, MT 59620
(406) 444-2896

TRANSPORTATION DIVISION

The Transportation Division is responsible for providing litigation and analytical assistance to transportation users and developing cost models to assess changes in transportation rates and systems. The division also provides technical, planning and financial assistance to local governments, transportation providers and users.

Litigation and Analysis Bureau

The Litigation and Analysis Bureau is responsible for transportation rate analysis and litigation and for providing technical expertise and assistance to shippers. Bureau personnel compile and file evidence as well as testify on that evidence before the courts and the Interstate Commerce Commission. The bureau performs analytical work such as developing cost formulas and models to analyze transportation cost components.

Local Rail Service Assistance

Federal and state legislation authorize and direct the state to prepare a State Rail Plan. In this planning document, state rail policy is defined. Segments of rail systems within the state are evaluated, and federal assistance projects are identified. Financial assistance for eligible projects includes limited grants and low-interest loans to rail or rail-related industry for track plant rehabilitation, acquisition or new construction.

Passenger Transportation Bureau

The Passenger Bureau administers state and federal programs that provide financial and technical assistance to intercity passenger carriers, urban public transportation and other transportation providers and users, including the elderly and handicapped. This bureau is also responsible for monitoring transit operations, conducting program evaluations and developing and implementing programs to improve passenger transportation in Montana.

Short-Line Assistance Program

The division has acquired railroad property and through lease, operating and purchase option agreement, provides for short-line rail service in areas where abandonment was a certainty. In addition to ownership assistance, the division provides technical help in organizing and operating small railroads.

Southern Mainline Study

With the sale (as of September, 1987) of a major portion of Montana's mainline rail system, the division has undertaken an objective study to evaluate line conditions and operating potential.

Special Projects Section

The Special Projects Section of the Transportation Division conducts research and prepares special studies pertaining to transportation issues. These issues often concern grain movement, rail abandonment impacts, trucking,

maritime transportation, rail passenger transportation and other related subjects. An additional responsibility is to monitor transportation-related legislation.

Subterminal Development Monitoring

Since the introduction of unit train grain rates in 1980, the Transportation Division has monitored changes in the state grain marketing industry. Information on grain subterminal development rate structures and branchline abandonments are available from the division.

Contact: William Fogarty, Administrator
Transportation Division
Department of Commerce
1424 Ninth Avenue
Helena, MT 59620
(406) 444-3423

AERONAUTICS DIVISION

The Aeronautics Division of the Department of Commerce administers a program of low-interest loans for various airport improvement projects. The 7.109% loans, matched by similar federal airport improvement grants, are available to any Montana tax-levying body -- cities, counties, airport authorities, etc. -- for a maximum loan period of eight years.

Contact: Mike Ferguson, Administrator
Aeronautics Division
Department of Commerce
2630 Airport Road, Box 5178
Helena, MT 59601
(406) 444-2506

LOCAL GOVERNMENT ASSISTANCE DIVISION

The primary functions of the Local Government Assistance Division are to provide technical and financial assistance to units of local government; to insure local political subdivisions' financial compliance; to grant and administer Federal housing, economic development and public works funds; and to provide administrative support to the Montana Coal Board and the Montana Hard Rock Mining Impact Board.

Community Technical Assistance Program

The Community Development Bureau staff is currently studying local Capital Improvement Planning needs in conjunction with local, state and federal agencies. The focus of this effort is to identify ways of enhancing local government's capability to finance and maintain local public facilities.

The bureau staff also provides answers to questions from local government officials primarily in the areas of project financing (grants, loans), land use planning and legal matters. The staff follows up on requests for information via networking with other local government organizations and by doing special research. Resources include a library, computer searches, Planners Advisory Service and access to a local government/land use attorney.

Hard-Rock Mining Impact Board

The Hard-Rock Mining Impact Act of 1981 requires the developer of a proposed, large-scale, metalliferous mine to prepare a plan that identifies the project's anticipated impacts on local government services, facilities, revenues and expenditures. The impact plan is to include a schedule specifying when and how the developer will meet any net increase in local government costs that are expected as a result of the mineral development. The Hard-Rock Mining Impact Board is to facilitate the overall implementation of the Act and resolve, through a formal hearing process, any differences between the developer and the affected local governments concerning the impact plan. The Board is also authorized to administer grant programs dealing with the community and economic impacts of mine or smelter closures.

Community Development Block Grant (CDBG) Program

The Montana Community Development Block Grant (CDBG) Program is a federally funded competitive grant program which awards approximately \$5 million annually to Montana cities, towns, and counties to assist them with serious community needs. All projects must be designed to principally benefit low and moderate income persons or families.

Local projects address needs in three basic categories: economic development, housing, and public facilities. The grant competition for housing and public facility projects is conducted annually in the Fall. The grant competitions for economic development applications take place three times each year.

The program is authorized by the Federal Housing and Community Development Act of 1974, and is administered nationally by the U.S. Department of Housing and Urban Development (HUD). The program has been administered for the State of Montana by the Montana Department of Commerce since January, 1982. As of July 1, 1987, 95 grants totalling over \$30,000,000 have been awarded to counties and municipalities from the HUD allocations to Montana for federal fiscal years 1982 through 1986.

County Land Planning Grant Program

This program became effective July 1, 1975, and created a County Land Planning Fund (CLPF) which is derived from the Montana coal severance tax. One half of one percent (.50%) of the total coal tax revenue is allocated to the CLPF. County governments receive CLPF. The funds then may be distributed by the counties to local planning boards (including city planning boards). The program is legally structured under Section 90-1-108, MCA and 15-35-108, MCA.

The funds are to be used for "land planning purposes." Basically, this means that the funds are to be used for local land use planning -- operation of planning boards; preparation of community comprehensive plans; administration of subdivision, zoning, lakeshore, and floodplain regulations; and special plans or programs. Special plans or programs include downtown redevelopment, economic development, capital improvements planning, rural addressing systems, and natural resource inventories.

All counties receive a minimum of \$3,000 per year. The remaining money is distributed on a formula based 40 percent on geographical area, and 60 percent on population. The CLPF has provided Montana's counties with approximately \$3.5 million for land use planning since 1975.

Local Impact Assistance Program

The Local Impact Assistance Program was initiated in 1975 by legislative action and is administered by the Montana Coal Board.

The Montana Coal Board awards grants and loans to local governmental units which have been required to expand the provision of public services as a consequence of large-scale development of coal mines and coal-using energy complexes. Funding is derived from the Montana coal severance tax. The Coal Board has awarded 198 grants of over \$60 million to local governmental units based on need, severity of coal impact, availability of funds, and degree of local effort in matching funds.

The percentage of grants received by local governmental units is as follows:

School Districts	53%
Cities	16%
Counties	19%
Special Districts	10%
State Agencies and Indian Tribes	2%

Contact: Newell B. Anderson, Administrator
Local Government Assistance Division
Montana Department of Commerce
Cogswell Building, Room C-211
Helena, MT 59620
(406) 444-3757

Section 8 Housing Assistance

A) Section 8 Existing Housing

This program is operated by the Department of Commerce under a contract with the U.S. Department of Housing and Urban Development. The authority for this is provided under Section 8 of the United States Housing Act of 1937. The basic purpose of the program is to provide rental assistance on behalf of lower-income families and the elderly in existing rental units that are decent, safe and sanitary.

This program is operated on a first-come, first-served basis statewide, and because the number of HUD-authorized units for subsidy is less than the demand, there is an extensive waiting list. In all instances the applicant, once certified, is responsible for finding a rental unit that meets HUD standards, and the rental subsidies are made to the property owner on behalf of the tenant. Payments are based on unit rent and an established portion (30%) of the tenant's adjusted gross income. Nearly \$25 million has been managed by the state for this program since 1978.

B) Section 8 Moderate Rehabilitation

This program also is authorized by the United States Housing Act of 1937, and is operated under a contract between the Department of Commerce and HUD. It provides grants for the upgrading of rental units in Montana.

Fifteen-year contracts are signed with developer-owners of rehabilitated rental units, and subsidies are provided on behalf of all eligible families who rent the units. Unlike the Existing Housing Program, the subsidy stays with the unit and is not transferred to other units when subsidized families move. Nearly \$6 million has been managed by the state for this program.

Contact: Gary W. Addington, Bureau Chief
Section 8 Housing Bureau
Montana Department of Commerce
805 N. Main
Helena, MT 59620
(406) 444-2804

District Court Reimbursement Program

District Court Reimbursement Funds are designed to have the state assume certain expenses associated with criminal proceedings in district courts. The reimbursements are made to county governments only. The general definition of eligible expenses for state assumption includes: a portion of the salaries of court reporters; transcripts of proceedings; witness and juror fees; indigent defense; and psychiatric examinations. Funding for these expenses is limited to the funds appropriated to the program by the legislature. Any reimbursable costs incurred by county governments for district court operations which exceed the appropriated ceilings for each fiscal year are the responsibility of the county.

All state-assumed costs are handled on a reimbursement basis to county governments only. No direct payments to individuals are made.

The state reimburses county governments only for those eligible costs related to criminal cases heard in district court. No costs incurred for youth court or justice court operation, or for cases other than criminal are considered. Additionally, only costs incurred after July 1, 1986, are eligible for reimbursement.

Contact: James M. Courtney, Program Manager
Accounting and Management Systems
Montana Department of Commerce
805 N. Main
Helena, MT 59620
(406) 444-3010

MONTANA SCIENCE AND TECHNOLOGY ALLIANCE

Introduction

The Montana Science and Technology Alliance was created in 1985 to strengthen Montana's economy by using technological development to revitalize traditional industries and encourage new ones and was initial funded with \$2 million

for the 1987 biennium. In 1987, the Legislature funded the Alliance with \$2.75 million for the 1989 biennium from the Alternative Energy Account for Research and Development investments and enacted House Bill 700, the Alliance's seed capital bond bill.

This legislation authorized the Alliance to issue up to \$16 million in taxable bonds over the next five years with the proceeds being used for direct investment in seed stage companies that are trying to develop and market technology-based products and in as many as three instate venture capital companies that in turn would invest directly in individual companies. The bonds were to be backed by the coal severance tax trust fund and were to be retired with the investment earnings made to the Alliance by the companies which received investments. If there were not sufficient earnings realized from the investments, the difference was intended to be made up by transferring money from the coal tax trust to subsidize debt service on the bonds.

Montana Supreme Court Test Case

On Thursday, July 21, 1988, the Montana Supreme Court rendered a decision in favor of the plaintiffs in the case of White v. State of Montana, which was filed to test the constitutionality of House Bill 700. New bond funding programs are routinely tested before the Supreme Court prior to the initial sales of bonds to establish constitutionality. The Science and Technology test case was thus filed with the Court in January, 1988, and oral arguments were heard by the court on May 11, 1988.

The Court found that House Bill 700 violated the state constitution in three ways: the statute violated a constitutional prohibition against pledging the credit of the state to secure bonds, the proceeds of which would be used to benefit private companies; the statute contained an improper delegation of legislative authority; and the statute contained a defect in the title of the bill.

As a result of the Court's decision, the Montana Science and Technology Alliance will, upon the advice of counsel, take the following actions:

- ° No new investments will be made in projects not now under contract until the 1989 legislature has the opportunity to change the Alliance legislation to address the concerns of the court.
- ° Existing investments now under legally binding contract will be addressed by the Alliance in only ministerial matters.

During the remainder of this biennium, the Alliance will focus its efforts on two areas. First, the Alliance will continue to monitor and manage its existing portfolio of investments. Second, the Alliance will work with business and political leaders to develop a means for the Alliance to secure renewed investment authority and adequate funding for the next biennium in order to resume making technology investments.

Investment Portfolio

During the two and one-half years of its technology investment program, the Alliance has placed technology investments totaling \$2,960,329 in 36 projects in both the research and development and seed capital areas. The funds have

been matched with \$3,918,530 in private funds for a total of \$6,878,859 being expended in Montana to further stimulate and strengthen the state's economy. In its seed capital investment program alone, the Alliance has invested \$720,000 in seven technology-based companies. These companies have matched the Alliance's funds with \$1,380,871 of private funding. If successful, these companies could create up to 580 new jobs in Montana by 1994.

Contact: Stephen D. Huntington
Executive Director
46 North Last Chance Gulch, Suite 2B
Helena, MT 59620
(406) 449-2778

OTHER STATE AGENCIES

AGRICULTURAL DEVELOPMENT

Agricultural Assistance Program

The Montana Agricultural Assistance Program was established to assist individual farmers and ranchers who are financially distressed by providing assistance and counseling to manage farm/ranch credit problems, to avoid or mitigate forced liquidation or farm bankruptcies and foreclosures, and to cope with the financial stress resulting from the adverse conditions of agriculture in Montana. Peer counseling, financial consulting and debt mediation assistance are available through the program for farmers/ranchers.

Contact: Michael E. Murphy, Administrator
Agricultural Development Division
Department of Agriculture
Sixth & Roberts
Helena, MT 59620
(406) 444-2402

Rural Development

This program provides direct lower-interest rate financing to rural youth and rural youth organizations for junior livestock and other agricultural business loans. The program also provides for some small amount real estate, equipment or operating loans to young farmers/ranchers, and FmHA subordination loans for farm operating.

Contact: Steve Baril, Program Manager
Rural Development Program
Department of Agriculture
Sixth & Roberts
Helena, MT 59620
(406) 444-2402

Marketing Assistance

This program provides market research and other assistance to Montana's producers and those marketing agricultural products through identification, analysis and direction in development and enhancement of both foreign and domestic markets. Transportation and product movement through the state are also areas of focus and study assistance. Crop and livestock statistical reporting and grain movement data are also summarized for market information purposes.

Contact: Moe Wosepka, Program Officer
Department of Agriculture
Sixth & Roberts
Helena, MT 59620
(406) 444-2402

MONTANA COOPERATIVE EXTENSION SERVICE

Financed jointly by county, state and federal governments, this educational service provides Montana with current and reliable information pertaining to four major program areas: agriculture, home economics, 4-H in Youth and community development. The community development program includes economic development educational programs and materials on community economic analysis, goal setting, program planning, organization maintenance, economic development strategy selection, and small and home-based business management aimed at the needs of small and declining communities. The Service's 53 county offices serve as referral centers for businesspeople and community leaders seeking economic development and business management information.

Contact: Dave Sharpe, Community Development Specialist
Cooperative Extension Service
409 Linfield Hall
Montana State University
Bozeman, MT 59717
(406) 994-5608

WATER DEVELOPMENT LOAN AND GRANT PROGRAMS

The Department of Natural Resources and Conservation administers a water development loan and grant program for local governments, state agencies, and private entities. The program is funded by the state's coal severance tax, which has historically provided about \$1.5 million biennially for grants, and two bonding authorities totaling \$260 million which fund the loan programs. The program makes loans and grants available for such diverse water development projects as dam and reservoir construction, streambank stabilization and erosion control, development of water conservation measures, and water and sewer projects.

Contact: Caralee Cheney, Chief
Water Development Bureau
Department of Natural Resources and Conservation
1520 East 6th Avenue
Helena, MT 59620-2301
(406) 444-6668

RECLAMATION AND DEVELOPMENT GRANT PROGRAM

The Department of Natural Resources and Conservation administers a state funded grant program established to indemnify Montanans for the effects of mineral development on public resources. It is designed primarily to fund projects that protect and restore the environment from damages resulting from mineral development and projects that meet other crucial state needs. Other projects may qualify, however, if they enhance Montana's economy or develop, promote, protect, or otherwise further Montana's total environment and public interest. Legislative approval for funding is required. The 1987 Legislature appropriated over \$3.4 million for 26 projects.

Contact: Caralee Cheney, Chief
Water Development Bureau
Department of Natural Resources and Conservation
1520 East 6th Avenue
Helena, MT 59620-2301
(406) 444-6668

RENEWABLE ENERGY AND CONSERVATION PROGRAM

The Renewable Energy and Conservation program, funded with revenue from Montana's coal tax and administered by the Department of Natural Resources and Conservation (DNRC), was established to promote the research, development and demonstration of energy conservation and the use of solar, wind, geothermal, small-scale hydro and biomass energy resources. This program offers grants to cover the early stages of project development, i.e., from research to demonstration, as well as loans for the commercialization of those projects with payback or income-generating potential. The Renewable Energy Program also allows DNRC to contract with individuals and organizations to undertake specific energy-related projects when the need arises. Currently, due to funding shortages, grant and loan cycles have been postponed.

In 1985, the legislature authorized the use of grant funds to retrofit state-owned buildings with energy conservation measures. Since savings resulting from these grants will help reduce operating costs for state government, grants for state building energy conservation are being funded to the extent possible given current funding limitations.

Contact: Jeanne Doney, Supervisor
Commercial Section
Department of Natural Resources & Conservation
1520 East Sixth Avenue
Helena, MT 59620-2301
(406) 444-6697

VOCATIONAL TECHNICAL EDUCATION

Public secondary and postsecondary vocational technical education programs are available throughout Montana for individuals of all ages who desire occupational skill development. These programs provide training and retraining to students who want to enter the job market with relevant basic skills, employees who want to maintain and upgrade their present skills, or people who want to learn different skills necessary for a desired career change.

Programs in the areas of communication, business, marketing, agriculture, health, electronics, mechanics and food service are available for students on either a full-time or part-time basis. These programs are kept up-to-date through the close working relationship of instructors and administrators with business and industry representatives.

Contact: William C. Olfert, Executive Director
Montana Council on Vocational Education
Executive Management Building
1228 11th Avenue
Helena, MT 59620
(406) 444-2964

LABOR TRAINING PROGRAMS

Job Training Partnership Act

The Job Training Partnership Act (JTPA) was implemented October 1, 1983. Under JTPA, public and private sector representatives cooperate to develop and implement job training programs to meet Montana's special needs. The Act provides a framework whereby state and local programs can assist economically disadvantaged persons -- including youth, unskilled adults and dislocated workers -- to become productive members of the labor force.

Industrial Start-up Training Program

The Industrial Start-up Training Program, funded by the 1983 Legislature, is a broad-based job training effort for employees of new or expanding small businesses in Montana. Administered by the Department of Labor and Industry, the program is designed to minimize new employers' problems in obtaining a trained workforce. Specifically, the department works with the employer to determine the required number of employees and their skill levels. The department then conducts labor availability surveys and recruits prospective employees by handling all the advertising, screening, testing, interviewing and training. The employer subsequently makes the final employee selection.

Contact: Job Service and Training Division
Department of Labor & Industry
P.O. Box 1728
Helena, MT 59624
(406) 444-4500

DISADVANTAGED BUSINESS ENTERPRISE AND WOMEN BUSINESS ENTERPRISE

The Montana Department of Highways maintains a Disadvantaged Business Enterprise and Women Business Enterprise (DBE/WBE) Office. The DBE/WBE Office is responsible for identifying, certifying, and monitoring DBE/WBE contractors in competitive bidding and in obtaining federal-aid highway construction contracts. This office also serves as an advocate for DBE/WBE businesses with other state agencies.

Contact: Richard H. Leavell, Acting DBE/WBE Program Manager
Civil Rights Bureau
Montana Department of Highways
2701 Prospect Avenue
Helena, MT 59620
(406) 444-6375

STATE PURCHASING POLICIES

Small Business Procurement Set Asides

The Montana Small Business Purchasing Act of 1974 was enacted to ensure that a fair portion of state purchases and contracts for supplies and services is placed with small businesses. The Act, Section 18-5-301-308, MCA, allows each state agency to designate specific commodities, equipment or services as small business "set asides" when there is a reasonable expectation that bids will be obtained from at least three small businesses capable of furnishing the desired property or service at a fair and reasonable price. Services rendered by registered professionals (accountants, attorneys, architects, etc.) are prohibited from being designated as set asides.

Bidding Preferences

Section 18-1-102, MCA provides for a three percent (3%) bidding preference for "resident" Montana bidders when they bid on state contracts. This preference is awarded to vendors who meet the residency requirements detailed in Section 18-1-103, MCA. Effective October 1, 1987, Section 18-1-102 also provides for a five percent (5%) preference for vendors submitting bids for goods manufactured in Montana. To be eligible for a preference a vendor must have a completed bidder affidavit form on file with the State Purchasing Division or submit certification of the Montana Made status of goods with each submitted bid.

The State Purchasing Division is responsible for determining eligibility for residence based on information provided by each vendor. This information is collected on the Bidders Affidavit form as part of the registration process for being included on the central bidders list. Affidavit forms are available upon request.

Contact: Michael S. Muszkiewicz, Administrator
Purchasing Division
Room 165, Mitchell Building
Department of Administration
Capitol Station
Helena, MT 59620
(406) 444-2575

TAX INCENTIVES

Montana has implemented a number of business tax incentives. These incentives consist primarily of property and natural resource tax exemptions and reductions and individual income and corporation license tax credits and exemptions.

Property tax incentives include:

1. Property assessment reductions for new or expanding industries and for certain remodeling projects.
2. Property tax rate reductions for pollution control equipment and for qualified new industries and research and development firms.

3. Property tax exemptions for business inventories and freeport merchandise (merchandise produced outside Montana, which while in transit through the state is temporarily consigned to a Montana storage facility).

General individual income and corporation license tax incentives include:

1. A wage credit for new or expanding manufacturing corporations producing a product new to Montana.
2. A five year exemption from taxation for research and development firms organized to engage in business in Montana for the first time.
3. Exemptions for domestic international sales corporations (DISCs) and for investments in small business investment companies (SIBCs).
4. A credit for investing in a Montana capital company.

Natural resource related tax incentives include:

1. A phase-down of coal severance tax rates. (If a production quota of 32.2 million tons of coal is met during fiscal year 1988, coal severance tax rates will be reduced even further.)
2. A reduced severance tax rate on new coal production for buyers of coal who have not previously purchased from Montana producers or who purchase more, on average, than they did from 1983-1984 or during 1986.
3. A 12 month net proceeds tax exemption and a 24 month severance tax exemption for new oil and gas production.
4. Reduced severance tax rates for oil and natural gas stripper well production.
5. A severance tax rate reduction for oil production from a tertiary project.

Other significant tax incentives include:

1. A 35% individual income or corporation license tax credit for investing in wind powered electrical generating equipment.
2. An individual income or corporation license tax exemption for sellers of land to beginning farmers at less than 9% interest.
3. A subsidy for the production of fuel alcohol from Montana wood or agricultural products.
4. An individual income or corporation license tax deduction for expenditures on organic fertilizer produced and used in Montana.

Contact: Steve Bender, Chief
Research Bureau
Department of Revenue
Sam Mitchell Building, Room 419
Helena, MT 59620
(406) 444-2981

OTHER SERVICES

THE 49TH PARALLEL INSTITUTE

Established by Montana State University, the Institute provides a liaison between the Governor's ad hoc committee on Canadian relations and the Montana-Western Canadian Provinces Boundary Advisory Committee and officials of the Canadian federal and provincial governments. The general purpose of the Institute is to improve U.S.-Canadian relations in the West. Specifically, the Institute is engaged in projects aimed at strengthening cooperative mechanisms in the areas of trade, transboundary pollution, and cultural exchange and education. The Department of Commerce has contracted in the past with the Institute to produce a sourcebook on Montana-Canada trade and investment relations and to conduct jointly with state and federal officials workshops on international business (with an emphasis on cross-border trade with Canada). The Institute has undertaken an analysis of the implications for Montana of a U.S.-Canada free trade agreement and will continue to assist the department's International Trade Officer in identifying market opportunities in Canada and other Pacific Rim countries for Montana exports and in identifying foreign sources of investment capital.

Contact: Dr. Lauren McKinsey, Director
49th Parallel Institute
1 - 156 Wilson Hall
Montana State University
Bozeman, MT 59717
(406) 994-6689

FLATHEAD VALLEY COMMUNITY COLLEGE

Small Business Center

The Small Business Center at Flathead Valley Community College helps build business futures on a foundation of learning. Services include:

- * information and assistance for small businesses
- * short courses, seminars and workshops
- * small business networks and referrals
- * contract training for management and employees

Contact: Tom Jay, Director
Small Business Center
Flathead Valley Community College
Number One First Street East
Kalispell, MT 59901
(406) 752-5222

UNIVERSITY TECHNICAL ASSISTANCE PROGRAM

The University Technical Assistance Program (UTAP) at Montana State University was created to provide technical engineering and managerial assistance to those manufacturing companies in Montana that are not in a position to hire professional consultants. The goal of UTAP is to improve the health of

Montana's businesses, thereby creating new jobs and improving Montana's economy.

The University Technical Assistance Program helps Montana through the transfer of technology to eligible companies. Assistance may take the following forms:

- On-site analysis and consultation
- In-house assistance for major problems
- Technical training
- Referrals
- Technical publications
- Production and management short courses and seminars
- Computer search of technical databases

Short-Term Technical Assistance

The Staff of UTAP provides short-term (not more than two weeks) assistance in the following areas:

- Location analysis
- Benefit/cost analysis
- Systems approach to solving problems
- Cost analysis and control
- Computer systems needs analyses
- Material and scrap control
- Feasibility studies
- Inventory analysis
- Management studies
- Office design assistance
- Manufacturing design assistance
- Production process design
- Quality control/assurance
- Equipment justification
- Automation assistance
- Productivity improvement
- Methods analysis
- Other manufacturing related problems

SBIR Funding

UTAP may be able to provide assistance in applying for Small Business Innovative Research (SBIR) funding from federal agencies. These funds are awarded competitively to qualifying small businesses that require high risk research and development efforts for products that may have excellent commercial potential.

Computerized Data Search

UTAP has access to over 400 national databases and 300 U.S. government laboratories and research centers through its affiliation with the NASA Industrial Application Center at the University of Southern California. Using computer and phone links, UTAP can help businesses work with search specialists to find the latest published information on technical problems. Remote sensing and image processing services also can be obtained.

In cases where published information is unavailable, inquirers may receive assistance from researchers in U.S. laboratories. These experts have been identified by the Industrial Application Center and have agreed to discuss problems in their areas of interest.

The purpose of this network of cooperation among federal government, university technical centers, and industry is to transfer the technology from NASA and other government laboratories to boost industry's competitive edge. Cost recovery fees are assessed for this service.

Contact: William R. (Bob) Taylor, Ph.D.
University Technical Assistance Program
402 Roberts Hall
Montana State University
Bozeman, MT 59717
(406) 994-3812

ADVANCED TECHNOLOGY, INC.

Advanced Technology, Inc. is a wholly owned corporate subsidiary of the Montana State University Foundation. It was incorporated for the specific purpose of owning, managing and developing the Advanced Technology Park in Bozeman, Montana. The park is a 90-acre development, adjacent to the Montana State University Campus, which makes land and other amenities available for companies engaged in high technology research, development and light manufacturing.

Contact: Roger N. Flair, President
Advanced Technology, Inc.
1711 West College
Bozeman, MT 59715
(406) 587-4480

MONTANA RURAL TECHNICAL ASSISTANCE PROGRAM

The Montana Rural Technical Assistance Program was established in January, 1983, to help local agencies in Montana improve their roads and bridges through the sharing of technical information and knowledge. By improving the dissemination of this information, the program promotes efficient use of these agencies' scarce resources. It is one of 42 such programs established in states across the country. The RTAP Transportation Center is located in the Department of Civil and Agricultural Engineering at Montana State University.

RTAP is funded by the Federal Highway Administration through the Montana Department of Highways; House Bill 359, which allocates a portion of Montana's gas tax revenues to the program; and Montana State University.

Contact: Alan Jackson
Department of Civil/Agricultural Engineering
Montana State University
Bozeman, MT 59717
(406) 994-6100

NATIONAL CENTER FOR APPROPRIATE TECHNOLOGY

The National Center for Appropriate Technology (NCAT) administers and operates the National Appropriate Technology Assistance Service (NATAS) under contract with the U.S. Department of Energy. NATAS can assist with such things as identifying sources of financing, licensing, marketing, business planning and business organization development. NATAS can also answer technical questions and help solve problems related to energy-conservation and renewable energy uses. For NATAS assistance, call 1-800-428-1718 in Montana, or write NATAS, P.O. Box 2525, Butte, MT 59702-2525.

NCAT also provides rural economic development services, as well as an agricultural service called Appropriate Technology Transfer for Rural Areas (ATTRA).

Contact: Diane Smith
National Center for Appropriate Technology
P.O. Box 3838
Butte, MT 59702
(406) 494-4572

RESEARCH CENTERS

Montana Bureau of Mines & Geology

The Bureau of Mines and Geology, part of the Montana College of Mineral Science and Technology, has a regular program to assist operators of small mines. The Bureau provides assistance to all who are looking for information on water availability, quality of groundwater, mines and minerals, and energy resources.

Contact: Dr. Edward T. Ruppel
Montana Bureau of Mines & Geology
West Park Street
Butte, MT 59701
(406) 496-4180

Research Center for Materials Processing

Recently created by the Montana Science and Technology Alliance, the Research Center for Materials Processing is an inter-university, multi-disciplinary entity dedicated to the discovery and application of new technology that will add value to agricultural, forest and mineral resources. The Center's primary focus will be a research program with these goals, but the program includes a public, industrial assistance component designed to aid economic development.

Contact: Dr. David L. Toppen
Vice President for Academic Affairs and Research
Montana Tech
Butte, MT 59701
(406) 496-4126

Institute for Biological & Chemical Process Analysis (IPA)

IPA was established by Montana State University to increase cooperation with private industry and government agencies in the overlapping areas of biology, chemistry and engineering. IPA conducts fundamental research, development, and testing for industry and government. IPA pursues projects that cross the traditional scientific disciplinary boundaries. Illustrative projects include: Biological reactor engineering, fouling and corrosion, energy production from biomass, microbial processes at surfaces, water and wastewater treatment, resource recovery, and natural aquatic processes. IPA offers a wide range of microbiological, biochemical and chemical analytical services related to water and wastewater treatment, natural aquatic ecosystems and biological reactor engineering. IPA also provides data processing, statistical analysis and computer programming expertise in support of sampling programs, process control and testing activities.

Contact: Dr. W.G. Characklis
Institute for Biological & Chemical Process Analysis
College of Engineering
409 Cobleigh Hall
Montana State University
Bozeman, MT 59717
(406) 994-4770

Research and Development Institute, Inc.

The Research and Development Institute is a nonprofit corporation, founded in 1980, to assist Montana State University and its faculty in fulfilling their research mission. It does this by obtaining funding from non-public sources to support general and specific research at the University; making grants in support of research projects; acquiring research equipment on a timely basis; and evaluating and providing for the patenting and commercialization of technologies resulting from University research.

Contact: Roger N. Flair, President
Research and Development Institute, Inc.
1711 West College
Bozeman, MT 59715
(406) 587-4479

Bureau of Business and Economic Research

The Bureau of Business and Economic Research is the research branch of the University of Montana's School of Business Administration. Located on the UM Campus at Missoula, the Bureau has pursued research in business and economics for more than 30 years.

The Bureau's purpose is to serve the general public, as well as business, labor, and government, by providing an understanding of the economic environment in which Montanans live and work. To meet this goal, the Bureau is regularly involved in a wide variety of activities including forecasting of state and local economic situations, forest product industry analysis, survey research, and data collection.

Contact: Paul E. Polzin
Bureau of Business and Economic Research
University of Montana
Missoula, MT 59812
(406) 243-5113

Montana Forest and Conservation Experiment Station (MFCEs)

MFCEs was established by the 1937 Montana legislature to conduct and disseminate research information about the state's forests and related resources (wildlife, range, water, and recreation). The Station's Mission-oriented Research Program (MORP) focuses on the management of second-growth forests. Additional research on all aspects of natural resource management is supported by funds from grants, contracts, and cooperative agreements with private organizations and state and federal agencies.

Contact: Sidney Frissell, Director
Montana Forest & Conservation Experiment Station
University of Montana
Missoula, MT 59812
(406) 243-4494

Tourism and Recreation Research Institute (TRRI)

This institute was established by the 1987 legislature to provide research data needed to support the state's tourism industry. It is housed and administered by the Montana Forest and Conservation Experiment Station at the University of Montana's School of Forestry. The Institute is funded by a portion of the state accommodations tax. The research program of the Institute is developed in cooperation with the Governor's Travel Advisory Council.

Contact: Director
Tourism and Recreation Research Institute
School of Forestry
University of Montana
Missoula, MT 59812
(406) 243-4494

Western Montana College Tourism and Recreation Program

The tourism and recreation program of Western Montana College has been established to provide educational degree programs in tourism and recreation in support of the tourism and commercial recreation industry of Montana. The program also provides information resources in the form of library materials, professional workshops and seminars, extension course training and advisement assistance. The program is under the sponsorship of the Business and Technology Division of Western Montana College.

Contact: John W. Bailey
Assistant Professor of Tourism and Recreation
Western Montana College
710 South Atlantic
Dillon, MT 59725

The Wilderness Institute

The Institute is an information clearinghouse on Montana's wilderness resource maintaining a file collection on wilderness areas and wild rivers and several computerized databases. It sponsors educational programs, performs field studies and conducts research. The Institute provides assistance to public and private organizations in evaluating the wilderness resource, measuring wilderness use and assessing the impacts of humans on wilderness.

Contact: Bob Ream, Director or
Ken Wall, Assistant Director
The Wilderness Institute
School of Forestry
University of Montana
Missoula, MT 59812
(406) 243-5361

STORAGE FACILITIES

Port of Montana

Formerly the Port of Butte, this modern facility offers U.S. Customs Services, bonded and general warehouse storage in 319,000 square foot maximum security warehousing, no inventory tax and licensed brokerage services to shippers, wholesalers and manufacturers. The Port is a public port authority, and export trading company promoted by the citizens of Butte-Silver Bow in an effort to strengthen and diversify both the state and local economies. Access to international and domestic shippers via two mainline rail carriers and two interstate highways provides north-south and east-west shipping corridors.

Contact: Port of Montana
Box 3641
Butte, MT 59702
(406) 494-3060

Great Falls Foreign Trade Zone

Located at the Great Falls International Airport near the Montana-Canadian border, the Great Falls Foreign Trade Zone offers special import/export, manufacturing and warehousing benefits to businesses requiring these services. Plans for the near future include the addition of custom brokerage services, transportation services, worldwide marketing and distribution services and facilities management capabilities.

Contact: Great Falls Foreign Trade Zone #88
P.O. Box 3324
Great Falls, MT 59403
(406) 761-5037

U.S. SMALL BUSINESS ADMINISTRATION

Financial Assistance

Regular Loans

Most of the SBA's business loans are made by private lenders and then guaranteed by the Agency. There is no limit on the loan size, but SBA's

maximum guarantee of \$500,000. SBA guarantees 90% on loans up to \$155,000 and 85% on loans exceeding \$155,000. The interest rate is set by the lender (although some limits are imposed by the SBA), and the term cannot exceed 25 years. Loans for working capital seldom exceed seven years. Although loans may be for any worthwhile purpose, the Agency prefers to be considered a fixed asset lender.

Special Loan Programs

1. **Loan Development Company Loans (502 Programs):** Loans are made to groups of local citizens whose aim is to improve the economy in their areas. Loan proceeds may be used by the development company to assist specific small businesses for the purpose of plant acquisition, land, machinery and equipment.
2. **Certified Development Company Program (503 Corporation):** The program's purpose is to help communities by stimulating the growth and expansion of small businesses within a defined area of operation. Certified Development Companies are authorized to sell debentures pertaining to an identifiable small concern with SBA's 100% guarantee.
3. **Disaster Assistance:** When the President or the Administrator of the Small Business Administration declares a specific area to be a disaster area, Physical Damage Disaster Loans are available from the SBA. They are made to homeowners, renters and businesses to repair or replace damaged or destroyed homes, personal property and businesses.
4. **Surety Bonds:** SBA is authorized to guarantee to a qualified surety up to 80% of losses incurred under bid, payment or performance bonds issued to contractors on contracts valued up to \$1.25 million. The contract may be used for construction, supplies or services. (This program is administered by SBA's Denver, Colorado office.)

Business Development

SCORE and ACE (Service Corps of Retired Executives and Active Corps of Executives)

These groups help small business managers or owners solve their operating problems through one-on-one counseling relationships.

Small Business Institutes (SBIs)

At each SBI (located on university and college campuses), senior and graduate students at schools of business administration, and their faculty advisors, provide on-site management counseling. Students are guided by the faculty advisor and SBA management assistance experts. They receive academic credit for their work.

Small Business Development Centers (SBDCs)

These centers draw from resources of local, state and federal government programs, the private sector and university facilities to provide managerial and technical help, research studies and other types of specialized assistance to small businesses.

International Trade Counseling and Training

SBA works closely with the U.S. Department of Commerce and other government agencies, and with private organizations to help develop programs to aid small firms in doing business abroad. Emphasis is placed on the practical application of successful exporting and importing procedures to small business.

Procurement Assistance

Federal Procurement specialists in SBA offices throughout the country counsel small businesses on how to prepare bids and obtain prime contracts and subcontracts, direct them to government agencies that buy the products or services the small firms supply, help them get their names placed on bidders' lists and assist in obtaining drawings and specifications for proposed purchases. (Administered by SBA's Denver Regional Office.)

SBA:

- Helps federal agencies to direct government subcontracts to small businesses;
- Helps private contractors to direct federal contracts to small businesses;
- Refers qualified small businesses to federal prime contractors;
- Monitors the granting of federal contracts to small firms by federal agencies.

Contact: U.S. Small Business Administration
Federal Office Building, Room 528
301 South Park, Drawer 10054
Helena, MT 59626
(406) 449-5381

Small Business Investment Companies (SBOCs)

The major function of an SBIC is to make "venture" or "risk" investments by supplying equity capital and extending loans to small businesses which meet its investment criteria. SBICs are privately capitalized and obtain financial leverage from the SBA. They make both straight loans and equity investments.

Contact: Rocky Mountain Capital Ltd.
505 Securities Building
Billings, MT 59101
(406) 256-1984

DEVELOPMENT FINANCE ORGANIZATIONS

Montana Capital Companies

(Montana capital companies were discussed on page 8 of the Guide)

Dick Fossum
Development Corporation of Montana
P.O. Box 916
Helena, MT 59624
(406) 442-3850

Eldon Kuhns
Venture Capital Corporation of Montana
Securities Building
2708½ 1st Avenue North
Billings, MT 59101
(406) 256-1984

T.H. Thomas
Great Falls Capital Corporation
1200 25th Street South
Great Falls, MT 59405
(406) 761-3010

Robert G. Mullendore
First Montana Capital Corporation
310 West Spruce
Missoula, MT 59802
(406) 721-8300

Local Development Companies

Bitter Root Valley Development Corporation (BRVDC)

BRVDC is a for-profit, privately-funded corporation that assists in planning and other financing for business start-ups and expansions, especially in the light manufacturing and export sectors.

Contact: John J. Filz, President
Bitter Root Valley Development Corporation
P.O. Box 1117
Hamilton, MT 59840
(406) 363-5400

LOCAL ECONOMIC DEVELOPMENT ORGANIZATIONS

The following is a partial list of organizations whose primary purpose is to promote economic growth in their local areas. They are in the process of completing or have completed the Certified Communities program and are prepared to assist in business expansion or relocation.

Ed Aubert, Planning Director
Blackfeet Nation
P.O. Box 850
Browning, MT 59417
338-7406

Jackie Miller
Fort Peck Tribal Executive Board
P.O. Box 115
Poplar, MT 59255
768-5155, X321

Jim Davison, Executive Director
Anaconda Local Development Corp.
P.O. Box 842
Anaconda, MT 59711
563-5538

Butch Ott, Executive Director
Forward Billings Economic Dev. Corp.
P.O. Box 1155
Billings, MT 59102
248-7979

Becky Smith, Executive Director
Gallatin Development Corporation
P.O. Box 1114
Bozeman, MT 59715
587-3113

Barbara Campbell
Bridger Development Corporation
P.O. Box 147
Bridger, MT 59014
662-3438

Evan Barrett, Executive Director
Butte Local Development Corporation
P.O. Box 507
Butte, MT 59703
723-4349

Don Dahlen
Liberty County Development Corp.
P.O. Box 629
Chester, MT 59522
759-5362/759-5188/759-5511

Joe Inman, President
Chinook Chamber of Commerce
201 New York Street
Chinook, MT 59523
357-3648

Kathy Nagel, Executive Director
Columbia Falls Chamber of Commerce
P.O. Box 312
Columbia Falls, MT 59912
892-2072

Joan Wiedeman
Cut Bank Chamber of Commerce
P.O. Box 1243
Cut Bank, MT 59427
873-4041 or 873-5655 (h)

Chris Walrath
Deer Lodge Chamber of Commerce
300 Main Street
Deer Lodge, MT 59722
846-2094

Jack Graves
Koocanusa Development Association
P.O. Box 788
Eureka, MT 59911
296-2202

George Fultz
Fort Benton Economic Dev. Corp.
P.O. Box 23
Fort Benton, MT 59442
622-3321/622-5411

Manson H. Bailey, Jr., Exec. Dir.
Valley County Development Council
P.O. Box 832
Glasgow, MT 59230
228-8221, X14

Kathy Sparr, Executive Director
Glendive Forward
P.O. Box 930
Glendive, MT 59330
365-8612

Roger Young, President
Great Falls Area Chamber of Commerce
P.O. Box 2127
Great Falls, MT 59403
761-4434

Thomas G. Brader, Chairman
Hamilton Network
P.O. Box 665
Hamilton, MT 59840
363-1222

Earl Gross, Econ. Dev. Committee
Hardin Chamber of Commerce & Ag
P.O. Box 350
Hardin, MT 59034
665-1672

Wheatland County Econ. Dev. Corp.
511 B Avenue Northeast
Harlowton, MT 59036
632-5846

Tony Preite, Executive Director
Bear Paw Development Corporation
P.O. Box 1549
Havre, MT 59501
265-9226

Rose Leavitt, President
Helena Area Econ. Dev. Corp.
P.O. Box 221
Helena, MT 59601
442-6882

Ed Gallagher, Director
Kalispell Development Corp.
P.O. Box 1997
Kalispell, MT 59901
752-7491

Mel Tiensvold, Coordinator
Laurel Chamber of Commerce
P.O. Box 308
Laurel, MT 59044
628-8105

Elly Walkowiak, Planning Director
Lewistown/Fergus County Plng Board
Fergus County Courthouse
Lewistown, MT 59457
538-9046

Gay Myrhang, Chair
Certified Communities Committee
Libby Job Service
314 California Street
Libby, MT 59923

Barbara Richard, Director
Phillips County Econ. Growth Council
P.O. Box 1365
Malta, MT 59538
654-2467

Lori Cope, Executive Secretary
Econ. Council of Chamber of Commerce
Miles City Area Chamber of Commerce
P.O. Box 730
Miles City, MT 59301
232-2890

Ronald L. Klaphake, Exec. Director
Missoula Econ. Dev. Corporation
115 West Front Street
Missoula, MT 59802
728-3337

Joseph A. Menicucci, Exec. Director
Polson Community Development Agency
P.O. Box 758
Polson, MT 59860
883-5349

Patti Lundin
Red Lodge Area Chamber of Commerce
P.O. Box 998
Red Lodge, MT 59068
446-1718

Honorable Irene Gottfried
Mayor of Shelby
999 2nd Street South
Shelby, MT 59474
434-2329

Michael & Ruth Howard, Directors
Mission Valley Old Town Dev. Corp.
P.O. Box 30
St. Ignatius, MT 59865
745-3131/745-3078

David Sanchez, President
Mineral County Econ. Dev. Corp.
P.O. Box 711
Superior, MT 59872
822-4000

Stu Kilgore
Thompson Falls Community Dev. Corp.
P.O. Box 352
Thompson Falls, MT 59873
827-4722

Dalyce Flynn, Committee Chair
Broadwater County Dev. Corp.
P.O. Box 947
Townsend, MT 59644
266-3186

Jerry E. Hanson
Whitefish Comm. Dev. Corporation
P.O. Box 1214
Whitefish, MT 59937
862-4612

Wolf Point Chamber of Commerce
& Ag
P.O. Box 237
Wolf Point, MT 59201
653-2012/525-3318

338. GUIDE TO MONTANA'S
09786 ECONOMIC DEVELOPMENT
- GUIDE & BUSINESS
- OCT. ASSISTANCE PROGRAMS
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